

General Fund Financial Status

This General Fund Financial Status provides a summary of the State's General Fund financial condition including the shortfall in actual tax receipts for FY2000-01, the Economic Forecasting Advisory Board's October 19, 2001, revised forecasts of net general fund receipts for FY2001-02 and FY2002-03, and the Governor's recommended Special Session budget actions. The following biennium is shown only for planning purposes using the Department of Revenue's October 19, 2001, forecasts and Legislative Fiscal Office projected appropriations.

Actual net general fund tax receipts were \$57.0 million below the forecast for FY2000-01. This reduced revenue to the General Fund by \$24.0 million and reduced revenue to the Cash Reserve Fund by \$33.0 million. On October 19, 2001, the Economic Forecasting Advisory Board revised the certified forecast of net general fund tax receipts downward by \$100.8 million for FY2001-02 and its estimate of net general fund tax receipts downward by \$99.6 million for FY2002-03. These reductions in actual, certified, and estimated tax receipts cause a 2001-03 general fund biennium budget imbalance of approximately \$220.2 million.

The Governor recommends the following budget actions to the General Fund biennial budget:

- Designate, lapse, or transfer funds to the General Fund; reduce or eliminate transfers from the General Fund; postpone the operative date for enacted legislation in order to improve the amount of revenue in the General Fund by \$12,035,000 in FY2001-02 and \$23,304,500 in FY2002-03.
- Reduce General Fund appropriations across-the-board by four percent with certain exclusions, or \$32,676,588 in FY2001-02 and five percent with certain exclusions, or \$50,964,277 in FY2002-03.
- Reduce specific additional General Fund appropriations or reappropriations by \$26,955,320 in FY2001-02 and \$27,407,014 in FY2002-03.

These General Fund budget actions total \$71,666,908 in FY2001-02 and \$101,675,791 in FY2002-03, or \$173,342,699 for the 2001-03 budget biennium. An additional \$48.0 million in budget actions will be necessary in the 2002 regular legislative session, if the forecast remains unchanged.

Cash Reserve Fund Financial Status

The projected FY2002-03 ending balance for the Cash Reserve Fund is \$45,536,099. The Governor is NOT recommending additional transfers from this fund.